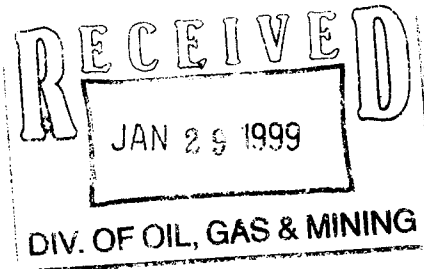


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 9/98 To (mo./yr.) 1/99
2. DOGM File Number (Mine No): 510031049+050
3. Mine Name: Gold Star Quarries + Nelson Quarry
4. Mineral(s) Mined (or permitted to mine): Quartzite
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
E 1/4, 1/4, NE 1/4, Section 21, Township 14N, Range 17W
W 1/4, 1/4, NW 1/4, Section 22, Township 14N, Range 17W
SW 1/4, NE 1/4 + N 1/4, SE 1/4, Section 34, Township 14N, Range 17W
7. Name of Operator or Company: K4 Ranch Inc.
8. Permanent Street Address: 1648 So 600 W
City, State, Zip: OAKLEY, Idaho 83346
Phone: 208 862 3620
9. Company Representative (or designated operator):
Name: Barry R. Peterson
Title: President
Business Address: 1648 So 600 W
City, State, Zip: OAKLEY, Id. 83346
Phone: 208 862 3620
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☐ No ☒
2. If no - what was the last year of activity? We have not Quarried at all.
3. If yes - how much ore or mineral was mined? _____

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.
there was no work performed or disturbance made in 1998.
5. How much additional acreage was disturbed during the past year? 0
6. How much acreage was reclaimed during the past year? 0
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

8. What is the total disturbed acreage of entire project at years end? 0
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
our plans are to quarry 8 to 10 million of stone from each of these sites in 1999. also to reclaim any old roads no longer in use.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

K4 Ranch Inc. Barry R Peterson

Title of Operator:

President.

Signature of Operator:

Barry Peterson

Date:

1-28-99